
EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 91-008

TITLE: CONTRACTING OBJECTIVE FOR MINORITY AND FEMALE OWNED BUSINESSES

EFFECTIVE DATE: June 27, 1991
Revised and Reissued: January 24, 1994

Policy Statement:

Unemployment Insurance Code Section 10205 (c) requires that the Employment Training Panel set contracting objectives with respect to minority and female owned businesses that are substantially similar to those required by certain other Government and Public Contract Code sections. This specific statutory requirement became effective for the Panel as of January 1, 1990.

The Panel shall:

- Adhere to a statewide participation goal of not less than 15 percent for minority business enterprises, based on the overall dollar amount expended each year by the Panel.
- Adhere to a statewide participation goal of not less than 5 percent for female business enterprises, also based on the overall dollar amount expended each year by the Panel.
- Establish a method of monitoring adherence to these goals.
- Adopt rules and regulations for the purpose of implementing this policy.
- Report annually on January 1 to the Governor and the Legislature on the level of participation by minority and women business enterprises in contracts awarded by the Panel. If the established goals are not being met, the Panel shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

Public Contract Code Section 10115.1 provides the following definitions:

(d) "Minority" means an ethnic person of color including American Indians, Asians (Including, but not limited to, Chinese, Japanese, Koreans, Pacific I
Islanders, Samoans, and Southeast Asians), Blacks, Filipinos, and Hispanics.

(e) "Minority business enterprise" means a business concern that is all of the following (emphasis added):

- (1) At least 51 percent owned by one or more minorities, or in the case of publicly owned business, at least 51 percent of the stock of which is owned by one or more minorities.
- (2) Managed by, and the daily business operations are controlled by, one or more minorities.
- (3) A domestic corporation with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(f) "Female business enterprise" means a business concern that is all of the following (emphasis added):

- (1) At least 51 percent owned by a woman or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more women.
- (2) Managed by, and the daily business operations are controlled by, one or more women.
- (3) A domestic corporation with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

(g) "Minority business enterprise" and "female business enterprise," include an enterprise of which 50 percent is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women or, in the case of publicly owned business, 50 percent of the stock of which is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women. Any business enterprise so defined may be counted as either a minority business enterprise or a female business enterprise for purposes of meeting the participation goals, but no one such business enterprise shall be counted as meeting the participation goals in both categories.

Reference: Public Contract Code, Article 1.5, Minority and Women Business Participation Goals for State Contracts, Section 10115.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 91-010

TITLE: APPRENTICESHIP TRAINING

EFFECTIVE DATE: July 25, 1991**Policy Statement:**

The applicant [employer(s)] shall certify that:

- The ETP funded supplemental training is essential to the apprentice in order to maintain employment opportunities.
- Without ETP funding the supplemental training would not be provided to the apprentice, and the reasons therefore; and,
- The training clearly supplements existing classroom and laboratory instruction of approved apprenticeship programs, and does not duplicate nor replace existing classroom instruction, laboratory, or on-the-job training.
- Supplemental training funded by ETP funds shall provide specific skills training in new or advanced technology, methods, processes and/or equipment which is not otherwise available in the curricula of an approved apprenticeship program. ETP funds shall not replace funds in an existing approved program nor funds available through other public programs. Only apprentices in their final year of training for programs of up to three years, or apprentices in their final two years for programs of four years or more shall be eligible.
- Panel funding of apprenticeship training, as provided in Paragraph 4 above, shall be limited to no more than 25 percent of the prior calendar year's apprentice training expenditures by the applicant(s) for any contract, exclusive of any public funds. Under special extraordinary circumstances, the Panel may allow the applicant (s) to exceed the 25 percent limitation, but in no case shall funding exceed 50 percent of the applicant's prior year's expenditures.
- Supplemental apprenticeship training funding provided to approved apprenticeship programs by the Panel for a specific skill or skills in a particular craft, trade or occupation may not be repeated in a subsequent proposal. It is the expectation of the Panel that such training shall be integrated into existing approved apprenticeship training curricula. The Panel may consider a repeat program if the applicant can demonstrate that they were unable to integrate

the ETP funded curriculum into the existing approved apprenticeship program and the reasons therefore. Panel approved phased projects shall not be considered repeat projects.

- Apprentice funding shall be limited on an aggregate basis to 10 percent of ETP training funds.
- The funding limitation is to be computed using the same method applied to other funding categories of "The Allocation of Funds" as provided in the Panel's Annual Plan. Proposals submitted after Panel expenditures reach this limit shall be deferred to the following fiscal year. The Panel may reconsider the amount of the funding limitation in its quarterly assessment of the Allocation of Funds.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 97-001

TITLE: LIMIT ON TRAINING HOURS

EFFECTIVE DATE: Applies to all Proposed Agreements and One-Step Agreements which are submitted to the Panel on or after July 24, 1997.

POLICY STATEMENT:

The Panel will not approve direct employer or training agency/consortia retraining agreements requesting more than 200 training hours for any individual trainee.

In cases where contractors are seeking more than 200 retraining hours for an individual trainee, additional training hours (above 200) may be added later by amendment once sufficient performance in the original agreement has been achieved and verified (e.g., a significant number of training hours have been completed).

Any deviation from this policy guideline must be pre-approved by the Panel prior to agreement development.

Reference: Unemployment Insurance Code Section 10205 (e).
 Title 22, California Code of Regulations , Section 4405. Funding Limitations.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 98-002

TITLE: FUNDING CRITERION FOR SERVICE INDUSTRY

EFFECTIVE DATE: Applies to all Agreements approved on or after June 1, 1998.

POLICY STATEMENT:

The Panel will not fund training for service industry employers who primarily provide services utilizing persons required to have an advanced degree (masters or above). The Panel may make exceptions for employers in research and development and emerging technologies.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 99-002

TITLE: CONTRACT AMENDMENTS

EFFECTIVE DATE: Applies to all Amendments approved on or after June 24, 1999.

POLICY STATEMENT

- (a) All requests for amendments shall be made in writing to ETP by the contractor.
- (b) The Executive Director may approve an Amendment which decreases the funding of the Agreement to any level. The Executive Director may approve an increase in funding of no more than 20% of the Agreement amount on all Agreements above \$100,000. The Executive Director may approve any increase in funding on Agreements of \$100,000 or less as long as the total revised Agreement amount does not exceed \$100,000.
- (c) The Executive Director may approve technical changes to any Agreement, including, but not limited to, the following: term dates, curriculum, training plan, wage requirements, and hours of training. An Amendment to reduce the number of hours of training shall only be approved if (1) the reduction would not invalidate the statutory requirements of the training project, and (2) the reduced hours are sufficient for trainees to acquire the training skills provided for in the amended Agreement.
- (d) The Executive Director may refer any Amendment request provided for in (b) or (c) to the Panel for approval.
- (e) No Amendment will be approved which seeks additional payment for new training which the contractor has performed before the request for additional funding is approved by the Executive Director or the Panel.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 00-001

TITLE: BUSINESS LOCATIONS

EFFECTIVE DATE: Effective Immediately (June 1, 1991)

POLICY STATEMENT:

The Panel shall encourage economic development when it adds jobs or preserves existing jobs in California. The Panel shall not use its funds to encourage business relocations from one California location to another.

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 00-002

TITLE: TRAINING IN HIGH UNEMPLOYMENT AREAS OF CALIFORNIA

EFFECTIVE DATE: 7/1/00**POLICY STATEMENT:**

- (a) The State Budget Act for Fiscal Year (FY) 2000-01 authorizes the Employment Training Panel (ETP) the use of \$15,000,000 from the Employment Training Fund to support training for workers in areas suffering from high unemployment and low job creation with a focus on the "working poor."
- (b) The Panel shall target those areas of the State which, based on the most recent Employment Development Department (EDD) unemployment statistics, contain unemployment rates significantly higher than the unemployment rate for California or contain large numbers of unemployed. The Panel shall only approve contracts under this allocation for employers located in areas of high unemployment as identified in Attachment 1, entitled, "Targeted High Unemployment Areas in California, Fiscal Year 2000-01." As of July 1, 2000, these areas, which will be updated annually, consist of:
 - 1) Counties with the highest unemployment rates (i.e., at least 50 percent higher than the state average), based on data from EDD's Labor Market Information Division (LMID).
 - 2) Areas within Los Angeles County (since it has a large population of unemployed) with unemployment rates exceeding the State average, based on LMID and census data information.
 - 3) In addition, during the fiscal year, any other county which exceeds the State's average unemployment rate by 50 percent, or any area in counties with a large number of unemployed which has an unemployment rate higher than the State average, at the time the application for funding is received by ETP.

- (c) Training agreements approved under this allocation should focus on the "working poor." The "working poor" are defined as workers who have full-time jobs and fairly stable employment, but earn low wages in dead-end jobs and lack the essential job skills necessary to improve their employment opportunities and move ahead in the economy. Their lack of job skills is often accompanied by limited education and limited English-speaking skills.

Therefore, the following ETP requirements are waived for "working poor" trainees in agreements approved for funding under this allocation:

- (1) Wage requirements set out in Unemployment Insurance Code Section 10201 (g). The Panel may waive the minimum wage requirements, provided that the post-retention wage of each trainee who has completed training and the required retention period exceeds his or her wage before and during training. This determination shall be made on a project-by-project basis to ensure that post-training improvements in earnings are sufficient to warrant the investment of public funds.
 - (2) Limitations on training hours as specified in Policy Directive 97-001, if the Panel determines additional training will achieve employment stability and advancement opportunities.
 - (3) Limitations of California Code of Regulations (CCR) Section 4420, Literacy Training, to permit the funding of basic literacy training skills up to 100 percent of the total vocational skills training hours per trainee. Because many of the "working poor" lack English skills, it may be necessary to customize literacy training to the occupation and business in which the trainee is employed.
 - (4) Provisions of Section 4425, Structured On-Site Training (SOST), to allow variances on training ratios; and to allow the provision of SOST during literacy training.
- (d) A training proposal developed and approved under this section shall meet all ETP requirements not otherwise changed, exempted, or eliminated by this section.

Attachment 1

**TARGETED HIGH UNEMPLOYMENT AREAS IN CALIFORNIA
FISCAL YEAR 2000-01**

The Panel will target those areas of the State which, based on the most recent LMID unemployment statistics, contain unemployment rates significantly higher than the unemployment rate for California or which contain large numbers of unemployed. These areas account for approximately 70 percent of the unemployed in California, and include rates which significantly exceed the state average. For the State fiscal year 2000-01, there are two major groupings of high unemployment areas:

- 1) The counties in California with the highest unemployment rates (i.e., exceeding the State average by at least 50 percent) as of June 2000 are considered areas of high unemployment. They include:

Alpine	Kern	Stanislaus
Butte	Kings	Sutter
Colusa	Madera	Tehema
Del Norte	Merced	Trinity
Fresno	San Benito	Tulare
Glenn	San Joaquin	Yuba
Imperial	Siskiyou	

- 2) While Los Angeles County has an unemployment rate only slightly higher than the average unemployment rate for California, an estimated one-third of the unemployed in California reside there. Within Los Angeles County there are areas of unemployment considerably higher than the county and State rate. These areas are considered areas of high unemployment. They include:

Avocado Heights	Huntington Park	Rosemead
Baldwin Park	Inglewood	Santa Fe Springs
Bell	La Puente	South El Monte
Bell Gardens	Lawndale	South Gate
Commerce, City of	Lennox	South San Jose Hills
Compton	Los Angeles	Valinda
Cudahy	Lynwood	Walnut Park
East Compton	Maywood	West Athens
East Los Angeles	Paramount	West Compton
El Monte	Pico Rivera	W. Whittier-Los Nietos
Florence-Graham	Pomona	Willowbrook
Hawthorne		

EMPLOYMENT TRAINING PANEL

POLICY DIRECTIVE
Number 00-003

TITLE: MULTIPLE-EMPLOYER CONTRACTS

INITIAL EFFECTIVE DATE: 8/24/00

Effective Date: This Policy applies to all Agreements and Amendments increasing the dollar amount of a contract which are submitted to the Contract Review Unit for approval on or after 8/24/00.

POLICY STATEMENT:

A multiple-employer contractor (MEC) may enter into an Agreement with the Employment Training Panel (ETP) to provide training to multiple participating employers. The contractor may be either an *on-site training provider* that provides all training at the individual participating employer's worksite, or a *center-based MEC*, which provides none or only some training at the participating employer's worksite. This Policy outlines requirements specific to both on-site training providers and center-based MECs, and to the specific trainee population being served (i.e., retrainee, new-hires) as follows:

Requirements for all MECs

- MECs must provide evidence of employer demand for the training by providing the following information: (1) description of a marketing plan for recruitment of employers/industries targeted for participation in the training agreement; (2) specific information on employer participation in the development of the training curricula; and (3) a description of the method to be used to ensure continuous participating employer feedback on the effectiveness of the training in meeting their training needs.
- When the requested cost per trainee is more than double the ETP average cost per trainee, (based on the most recent complete fiscal year contract data), all MECs - except those serving Welfare to Work trainees or "working poor" trainees in high unemployment areas- must provide evidence to justify the high cost per trainee in one of the following manners:
- Training will result in employment paying significantly more than the ETP minimum wage requirement after the completion of the retention period, and a significant wage increase for trainees after one year; or

Requirements for all MECs: (continued)

- Training is in occupations that have demonstrated significant wage progressions within two years after completion of training; or
- Training will result in moving trainees into employment with demonstrated career paths; or
- Any other evidence deemed necessary to justify the cost per trainee as defined by the Panel.
- While training the Welfare to Work population and the “working poor” may involve more training hours and therefore have a higher cost per trainee, contractors must explain the overall training costs.

Additional requirements for first-time MECs

- Funding for first-time MECs is limited to \$200,000, with additional training phases to be based on successful contract performance. To demonstrate successful performance, a contractor must demonstrate that funds previously encumbered have been or will be fully used.

Additional requirements for retraining MECs

- Retraining MECs must certify that, prior to the commencement of training for a specific participating employer, it has explained the supplemental nature of ETP funding to the participating employer, and that the participating employer has provided a brief description of how the ETP funded training will supplement its on-going training.
- Retraining MECs must provide information in the ETP Agreement indicating a quantifiable commitment to the training from its participating employers, ensuring the employers have an investment in the training. This commitment will be determined by the contract as a whole and not by each individual participating employer.

Additional requirements for center-based retraining MECs

- Center-based retraining MECs must provide training that is customized to the requirements of individual employers, or group of employers in a specific industry. To accomplish this, the MEC must conduct formal assessments of participating employers' training needs; and, design the curricula based on the assessments.
- Assessment results may include: training limited to employers in a discrete industry; Structured-On-Site Training included as part of the contract, provided that it takes place at each participating employer's facility; or, a substantial portion of training is job-specific for the participating employer's unique needs. Formal assessments must be available for review by ETP monitors.

Additional requirements for new-hire MECs

The Panel will fund only new-hire training that is industry specific or is for specialized occupations. Cross-industry, generic training available to the general public and funded by many other sources will not be funded by ETP.

Reference: Unemployment Insurance Code Sections 10201.5, 10205 (c) and 10210; and
Title 22 California Codes of Regulations:
Sections 4400 (z) and 4426, Training Agency Projects
Section 4443, Monitoring
Section 4405, Funding Limitations
Section 4402, Application Process
Section 4409.1, Employer Contributions